***Learning Target: to be able to identify taxable and non-taxable income and to complete tax forms you will need when you get your first job!***

Part A. Go to <http://apps.irs.gov/app/understandingTaxes/student/hows_mod02.jsp>

The link is on the eboard.

1. Define **Wages** (click on the word under the picture)

2. Define **Salaries**

3. Define **Bonuses**

4. Define **Commissions**

5. Click on ***Tax Tutorial*** on the right side of the screen. Complete the entire tutorial and answer these questions:

1. T of F: All tip income is taxable and needs to be reported.
2. What are some different forms of employee compensation?
3. How many did you get correct on the ***quick check***?
4. To whom does an employer have to provide a W-2?
5. When you get a job, what will you use your W-2 for?
6. Did you get any wrong on the ***2nd quick check***?

6. Close the tutorial window. Now click on “**Simulation**” on the right side. Complete the entire simulation and answer these questions:

1. By what date does your employer have to send you your W-2?
2. What is the name of the income tax form you are going to file?
3. Look at your completed form. Will you be getting a rebate or do you owe more taxes?
4. How much?
5. What are the two ways to receive your refund?

7. Complete the assessment on the back of this worksheet.

Part B. Now move on to the lesson “Taxes in a Market Economy.” The U.S. is an example of a market economy.

8. Click on Activity 1. What are the 3 sectors of a market economy?

9. Study the circular flow chart and then answer the multiple-choice questions. How did you do?

10. Do Activity 2. Show your work for each problem here.

11. Complete Activity 3. Click to go to the website given. Click on “Leave IRS Site” when prompted. Write your answer for Activity 3 here.

12. Complete Activity 4. Find the answers on the website they give you. Write the letters of the answers here.

13. Finally, complete the assessment on the back of this worksheet.